

Attorney Docket No. 021932-000002

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of Robert C. Slane )  
Application No. 09/453,364 )  
Filed: December 1, 1999 )  
Title: Establishing and Managing Grantor )  
Retained Annuity Trusts Funded By )  
Non Qualified Stock Options )

Group Art Unit: 3627

Examiner: Andrew J. Fischer

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Commissioner for Patents  
Washington, D.C. 20231

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GROUP 3600

## AMENDMENT UNDER 37 CFR § 1.111

Sir:

Please amend this application as set forth below. The Examiner communicated a restriction requirement to the Applicant in an Office Action dated July 2, 2002. A response to the Examiner's restriction requirement is filed on concurrent date herewith. The Applicant's response to the restriction requirement states that the Applicant elects to initially pursue and have examined a *method for minimizing transfer tax liability of a grantor for the transfer of the value of nonqualified stock options to a family member grantee* on which claims 1-25 read (Group I).

In the claims:

Please amend claim 1 as follows:

*Sub B1*

1.(amended) A method for minimizing transfer tax liability of a grantor for the transfer of the value of nonqualified stock options to a family member grantee, the stock options having a stated exercise price and a stated period of exercise, the method comprising:  
establishing a Grantor Retained Annuity Trust (GRAT);  
funding said GRAT with assets comprising stock options, the stock options having a determined value at the time the transfer is made;  
setting a term for said GRAT and a schedule and amount of annuity payments to be made from said GRAT; and  
performing a valuation of the stock options as each annuity payment is made and determining the number of stock options to include in the annuity payment.